




SUGAR LAND 4B CORPORATION

AGENDA REQUEST

AGENDA OF:	10-16-13	AGENDA REQUEST NO:	II-A
INITIATED BY:	CHRISTINE RANKIN, EXECUTIVE SECRETARY	RESPONSIBLE DEPARTMENT:	CITY SECRETARY
PRESENTED BY:	GLENDA GUNDERMANN, CITY SECRETARY	DIRECTOR:	GLENDA GUNDERMANN, CITY SECRETARY 
		ADDITIONAL DIRECTOR (S):	N/A
SUBJECT / PROCEEDING:	SUGAR LAND 4B CORPORATION MEETING AUGUST 21, 2013 APPROVE MINUTES		
EXHIBITS:	MINUTES AUGUST 21, 2013		
CLEARANCES		APPROVAL	
LEGAL:	N/A	DIRECTOR:	REGINA MORALES,  ECONOMIC DEVELOPMENT
RECOMMENDED ACTION			
Approve the minutes of the Sugar Land 4B Corporation meeting held August 21, 2013.			
EXHIBITS			

STATE OF TEXAS §
COUNTY OF FORT BEND §
CITY OF SUGAR LAND §

**CITY OF SUGAR LAND
SUGAR LAND 4B CORPORATION MEETING
WEDNESDAY, AUGUST 21, 2013**

REGULAR MEETING

The Sugar Land 4B Corporation convened in regular meeting open to the public in Cane Room, 161, of Sugar Land City Hall on Wednesday, August 21, 2013 at 4:00 o'clock P.M. and the roll was called of the members; to wit:

Donald L. Smithers, President
James Clancy, Jr.
Mary Favre
Cynthia Knox
Allan Lazor
Bridget Yeung

QUORUM PRESENT

All of said members were present. Also present were:
Regina Morales, Director of Economic Development
Jennifer Brown, Budget and Research Director
Christine Rankin, Executive Secretary, and
A Number of staff and visitors

CONVENE MEETING

President Smithers convened the session, open to the public, to order at 4:00 o'clock P.M.

MINUTES

President Smithers introduced consideration on approval of the minutes of the Sugar Land 4B Corporation meeting held on July 17, 2013.

Following a full and complete discussion, **Director Yeung**, seconded by **Director Lazor**, made a motion to approve the minutes of Sugar Land 4B Corporation meeting July 17, 2013. The motion carried unanimously.

PUBLIC HEARING

JOINT CAPITAL IMPROVEMENT PROJECT FUNDING

President Smithers convened the Public Hearing to receive and hear all persons desiring to be heard on Glen Laurel Homeowner Association request for Joint Capital Improvement Project funding to replace fencing along West Airport Boulevard.

Ms. Stephanie Russell presented a brief summary of the application for Joint Capital Improvement Project funding to replace fencing along West Airport Boulevard noting that the item was discussed at the last meeting.

Glen Laurel is requesting joint funding to replace 3,500 linear feet of wooden fencing with concrete along the north and south side of West Airport Boulevard. Glen Laurel Homeowner Association will be responsible for construction and maintenance of the fence.

Total project cost is \$337,453.00, if funding is approved, 70% participation will be by the Homeowner Association and 30% participation by Sugar Land 4B Corporation. The request was initially reviewed April 17, 2013 and again on July 17, 2013.

Homeowner Association application requirements include:

- Verification of funding
 - Second election for Special Assessment was held with 77% approval. Account documentation has been submitted
 - Three quotes have been obtained
 - Contractor has sole source rights to installation
 - Dedicated public easement
 - Acceptance pending Council approval of funding agreement

Sugar Land 4B Corporation budget currently has \$100,000.00 available for the program; currently no other applications have been received.

Next steps are to:

- Consider approval of funding resolution
- Council approval of funding agreement with Glen Laurel Homeowner Association for installation of improvements; consideration is scheduled for September 3, 2013 City Council meeting.
- City acceptance of Homeowner Association easement dedication
- Installation of improvements managed by Homeowner Association
- City reimburses Homeowner Association for City share upon verification of completion
- Homeowner Association to perform ongoing maintenance and repair

PUBLIC HEARING (CONTINUED)

JOINT CAPITAL IMPROVEMENT PROJECT FUNDING (CONTINUED)

President Smithers opened the Public Hearing and entertained comments from the public.

Ms. Debra Johnson, President of Glen Laurel Homeowner Association thanked the board and City staff for consideration and assistance with the joint project.

Hearing no further comments, the Public Hearing was closed.

SUGAR LAND 4B CORPORATION RESOLUTION NO. 2013-08-02

President Smithers introduced consideration on **SUGAR LAND 4B CORPORATION RESOLUTION NO. 2013-08-02** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUGAR LAND 4B CORPORATION APPROVING A REQUEST BY THE GLEN LAUREL HOMEOWNER ASSOCIATION, INC. TO FUND FENCING ALONG WEST AIRPORT BOULEVARD.

Members of the Board expressed appreciation to Glen Laurel Homeowner Association for their hard work to obtain resident approval of the Special Assessment.

Following a full and complete discussion, *Director Clancy*, seconded by *Director Knox*, made a motion to approve **SUGAR LAND 4B CORPORATION RESOLUTION NO. 2013-08-02** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUGAR LAND 4B CORPORATION APPROVING A REQUEST BY THE GLEN LAUREL HOMEOWNER ASSOCIATION, INC. TO FUND FENCING ALONG WEST AIRPORT BOULEVARD. The motion carried unanimously.

BUDGET

President Smithers introduced consideration on proposed Sugar Land 4B Corporation Fiscal Year 2014 budget.

Mr. Bryan Guinn, Assistant Director of Budget and Research, stated that staff is seeking approval of the Fiscal Year 2014 budget. Details of the budget were discussed at the last meeting and remain unchanged.

A brief recap included Fiscal Year 2014 proposed budget totals \$5,831,042 in revenues and \$6,652,087 in expenditures with a ending available budget of \$685,245. Revenues include \$5,585,909 in sales tax; \$154,031 in assignment from TIRZ1; \$80,000 for Opening Day Partners/Constellation Field rent payment; and \$11,102 in interest income. Proposed expenditures include \$1,012,000 transfer to Capital Projects and \$1,101,632 Imperial Land Promissory Note. Proposed Capital Project Funding includes \$100,000 for Joint Participation projects such as the Glen Laurel project.

Following a full and complete discussion, *Director Yeung*, seconded by *Director Lazor*, made a motion to approve proposed Sugar Land 4B Corporation Fiscal Year 2014 budget. The motion carried unanimously.

QUARTERLY REPORT

President Smithers introduced discussion on Sugar Land 4B Corporation Quarterly Report for period ending June 30, 2013.

Ms. Regina Morales, Director of Economic Development, introduced *Mr. Bryan Guinn, Assistant Director of Budget and Research*, stating that he would be presenting the financial quarterly report.

Mr. Guinn began by stating that the quarterly financial statement ending June 30, 2013 represents 70% of the current Fiscal Year.

Revenue

Sales Tax, is on schedule as budgeted, \$4,083,844 representing 75.11% of budget

Interest Income, is lower than budgeted and recognized at mid-year. Fiscal Year 2014 has taken lower interest income into calculation

Miscellaneous, currently at \$502,103, represents 86.57% of budget

As discussed during budget workshop, the majority of revenues are the participation rental and parking lot rental associated with Constellation Field. The proposed budget projected \$500,000 participation rental and \$80,000 parking lot rental. Actuals were approximately \$400,000 participation rental and \$80,000 parking lot rental. In Fiscal Year 2014, the budget projects \$80,000 parking lot rental and zero for participation; if participation funds are received, the amount will be available for one time expenditures. As of June 30, 2013, Total Revenue was \$4,742,633 representing 76.15% of Budget.

Expenditures

Capital Projects Reimbursements and Debt Service are the largest expenditures and represent the ballpark expenditures and Brazos River Park. Year to date expenditures are \$4,384,699 and represents 57.46% of the budget.

Currently revenues are trending higher than expenditures.

Investments, total portfolio cash total is \$6,718,546; 42% is in cash with the bank, 24% in Tex Pool and 30% Agencies; the remaining portion is held within Certificates of Deposits.

Ms. Morales reviewed the remainder of the report.

Sugar Land Town Square and TIRZ 1

Currently 560,820 square feet in Office Space is leased 91%; and \$252,237 square feet in Retail is leased 93%; representing approximately 5% to 7% higher than the regional occupancy rates.

New and Expanding Businesses include CVR adding an additional 12,501 square feet and Consentino North America leasing 24,993 square feet.

QUARTERLY REPORT

Sugar Land Town Square Revenue Fiscal Year 2012 was \$828,757 and Fiscal Year 2013 actual will be \$892,220.

Sugar Land Town Square was originally created as a retail destination location but time has shown that the Square is actually a restaurant destination. Turnovers have been almost immediately refilled. The City does not track timeframes that retail business stay in SLTS, only occupancy rates.

It was noted that House of Blooms will be taking a space over by Pinot Palette and keeping the kiosk.

Sugar Land Town Square Certified Taxable Value for January 1, 2013 totals \$101,037,081 and represents the first time since 2008 that the value has exceeded the \$100,000,000 mark.

The Marriott occupancy rate, through the end of 3rd quarter, is 8% higher than previous year. The hotel event and conference report will be provided at the next meeting with information on what kind of activities and conferences are coming through that are driving the higher hotel room occupancies.

Director Yeung asked if the City tracks hotel occupancy during the Sugar Land Wine and Food Affair, *Ms. Morales* stated the Board will be provided a copy of the 2011 impact analysis report. The Wine Festival, occupancy is not specifically tracked; however, in 2011 an impact analysis report was conducted and the report will be provided at the next meeting. Staff has software that can provide an impact report with attendee data, if available.

The Tourism website, www.visitsugarlandtx.com has been launched; booking agents are available on the site and tracking data will be available and provide greater opportunities for tracking.

Tax Abatement Agreements

There are eighteen active tax abatement agreements with an average term of 8 years. Tax Abatements awarded in Fiscal Year 2013 total fifteen. The certified CAD values have the agreement values outperforming the minimum required values; charts were provided outlining all abatements and their values.

Strategic Projects Update

Highlights were presented for all Economic Development strategic policy projects and initiatives. The Performing Arts Center Development Agreement was approved by City Council on July 23, 2013 and a Press Conference scheduled for September 4, 2013 to unveil the project graphic rendering; the developer is ACE Sugar Land, Alan, Gary and Bryan Becker were known in the 1970's as PACE Entertainment before it was sold to Clear Channel. The Becker's have started a new venture called ACE; they will contribute both a financial and equity investment in the project.

A report on Constellation Field will be provided at the next meeting highlighting performance. Though ticket sales are known, other performance areas will be highlighted and discussed. Initial reports show that drop off from the inaugural season, though anticipated, is not trending significantly less. It was noted that the Skeeters is now shown to be the team with the most wins in both the Minor and Major Leagues.

QUARTERLY REPORT (CONTINUED)

Commercial Property Report

Data on Office, Industrial and Retail shows an increase in Retail square footage of 182,358 from June 2012 to June 2013. The Office occupancy rates continue to rise to 86.4%. Total Net Absorption is the amount of square footage in and absorbed; representing new leases that came back into the market, subleases and new leases signed and space occupied.

Hotel Market

The chart illustrates and reflects all of the hotels in Sugar Land and how they are outperforming the previous year. Indicators such as this indicate the potential for new hotels to come into Sugar Land. It was noted that most of the hotel occupancies are business related due to the number of businesses located in the City and the number of international visitors the businesses bring to the City.

Some leisure business and tourism marketing occupancy exist. Economic Development will conduct a convention center study which will examine the hotel markets to better determine the occupancy types and other data. It was noted how difficult it was to obtain the first hotel in the City and how exciting it is to see how the environment has changed; the City is now a proven market and very attractable.

Ms. Morales noted the remainder of the Quarterly Report provides Consumer Data and Interesting Articles.

ADJOURN

There, being no further business to come before the Corporation, ***Director Clancy***, seconded by ***Director Yeung***, moved that the meeting adjourn. The motion carried unanimously and the meeting adjourned, time at 4:35 o'clock P.M.

Donald L. Smithers, President

(SEAL)